CDIC

CANADA DEVELOPMENT INVESTMENT CORPORATION

2013 to 2017
CORPORATE PLAN SUMMARY

and

2013 CAPITAL BUDGET

December 2012

CDIC

CORPORATE PLAN SUMMARY
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1.0 EXECUTIVE SUMMARY

WHO WE ARE

Canada Development Investment Corporation ("the Corporation" or "CDIC") was incorporated in 1982 under the provisions of the *Canada Business Corporations Act* and is wholly-owned by Her Majesty in Right of Canada. The Corporation is an agent Crown corporation listed in Schedule III, Part II of the *Financial Administration Act* (FAA) and is not subject to the provisions of the *Income Tax Act*. CDIC reports to Parliament through the Minister of Finance.

WHAT WE DO

CDIC has historically been used as a means of ensuring that the Government's interests that are assigned to it have been managed with a commercial focus. To date we have managed and sold some fifteen companies for the Government with total proceeds exceeding $3 billion. We currently manage Canada's interest in the Hibernia oil field, the preferred and common shares in General Motors Company (GM) and liabilities of Canada Eldor Inc. (CEI).

We are continuing to secure financial, legal and technical analysis of such corporate holdings of the Government of Canada as are requested by the Minister of Finance. This is to assist with the Government's review of corporate assets in its endeavour to ensure the use of resources is efficient, effective and focused on priorities. We maintain the capacity to divest CDIC's existing holdings and acquire or divest any other government interests assigned to us upon the direction of the Minister of Finance.

OUR RECENT ACTIVITIES

We have been active in the Government's Corporate Asset Management Review (CAMR) programme. We have been recently requested by the Government to act as its agent to facilitate the sale of another Crown corporation that we do not hold. We have commenced the process of preparing for the sale of that Crown asset.

Canada Hibernia Holding Corporation (CHHC) continues to maintain the investment in the Hibernia project ready for divestiture when deemed appropriate.

CEI continues to manage the liabilities resulting from past activities of Eldorado Nuclear, the assets of which were merged with Saskatchewan Mining and Development Corporation in 1988 to form Cameco Corporation. In the first quarter of 2012, we finalized an agreement with Cameco with respect to previous historic waste obligations whereby CEI paid Cameco $14 million to settle the obligations. CEI is no longer responsible for any costs relating to radioactive waste at the Port Hope and Blind River refineries. CEI continues to pay for costs relating to the decommissioning of a former mine site and for retiree benefits of certain former employees.

We held our annual public meeting on July 20, 2012 in St. John's, NL, fulfilling requirements under the FAA.

WHAT WE PLAN TO DO IN THE NEXT FIVE YEARS

Our holdings in GM are ready for sale when appropriate. The exact timing and form of any transaction will be subject to market conditions at the time. We anticipate that GM will redeem our 16 million GM Series A preferred shares in December 2014, though GM is not obliged to do so. In the meantime we expect to continue to receive 9% dividends on the preferred shares.

CHHC was established in March 1993, for the sole purpose of holding, managing, administering and operating the 8.5% working interest that CHHC acquired as a consequence of Gulf Canada withdrawing from the Hibernia project. CHHC's two major goals are: (1) to manage its investment in the Hibernia offshore oil development project to achieve optimum return, while ensuring that the financial and other obligations associated with the investment are satisfied; and (2) to have the investment in the Hibernia project ready for divestiture when appropriate. For further details please see Appendix B.

CEI expects to participate and make representations at a hearing of the Canada Nuclear Safety Commission (CNSC) regarding the Beaverlodge mine site expected to be held in 2013. CEI will also continue to pay expenses to Cameco regarding its management of the Beaverlodge mine site and make payments for retirement benefits.

The CAMR process is continuing and we will maintain the management capability to provide services to assist the Minister of Finance in whatever role he deems fit. We have assembled a number of expert consultants to supplement our management team and assist us in our role in the process. This enables us to carry out our primary functions which are to prepare well-defined statements of work in conjunction with the Department of Finance, conduct a thorough and fair advisor selection process, manage relationships with the advisor and the management of the asset under review. We will ensure that the process produces insightful reports on a timely basis that will provide a sound basis for decision making by the Government.

As requested by the Minister of Finance, we have initiated the process of preparing for the sale of one or more corporate assets of the Government in an agency role. This role involves the identification and retention of a financial advisor as well as legal and other advisors through a competitive process. Through Q3 and Q4 2012 and into 2013 we expect to work through a phased project approach for the first project which includes evaluating and hiring a financial advisor and legal advisor, evaluating financial advice regarding a sale process developed by the advisors, supervising the management of a sales process including the evaluation of bids, and finally if required, assistance in closing a sales transaction. At each stage a decision by the Government is required to continue to the next phase. We will also provide advice to the Government with respect to suitable undertakings and recommendations.

2.0 MANDATE AND FUTURE ROLE

The Articles of Incorporation give CDIC a broad mandate. We were incorporated to provide a commercial vehicle for Government equity investment and to manage commercial holdings of Canada. Our primary objective is to carry out our activities in the best interests of Canada, operating in a commercial manner.

In November 2007, the Minister of Finance wrote the Chairman and indicated that the future operations of CDIC "should reflect a future focused on the ongoing management of its current holdings in a commercial manner, providing assistance to the Government in new policy directions suited to CDIC's capabilities, while maintaining the capacity to divest CDIC's existing holdings, and any other Government interests assigned to it for divestiture, upon the direction of the Minister of Finance".

2.1 Corporate Governance

CDIC is managed by a staff based in Toronto headed by the Executive Vice-President, who work closely with consultants, legal counsel, the Board and management of its subsidiaries to ensure the effective functioning of the Corporation and its subsidiaries. Under the Executive-Vice President we have five full-time staff plus a contract accountant. CHHC has separate management based in Calgary that is experienced in the oil industry. In order to manage the investments in GM, Rothschild Inc. has been retained as advisor. Consultants are hired as required for CAMR projects and financial and other advisors are hired for divestiture mandates. One of our external legal counsel also acts as our corporate secretary.

The Corporation reports to Parliament through the Minister of Finance. CDIC's Board of Directors supervises and oversees the conduct of the business and affairs of CDIC. The Board of CDIC currently consists of the Chairman and five other directors. The Articles of the Corporation allow for a total of eleven directors. See Appendix A for the Corporation's organization chart and current listing of CDIC's directors and officers.

All members of the Board are independent of CDIC management. The Board carries out its responsibilities regarding the financial statements of the Corporation through its Audit Committee. Attendance at Board and committee meetings is outstanding and each director dedicates appropriate time outside of board meetings to the governance of the Corporation.

Corporate governance is dealt with by the Nominating and Governance Committee, which continues to review CDIC's governance practices in the spirit of continuous improvement and to address new requirements. In addition, the committee assists in determining the composition and structure of the Board and recommending to the Governor in Council candidates for Board membership and for the position of Chair. CDIC will continue to closely monitor the evolving guidance in governance matters and public sector best practices and implement changes in its governance practices as appropriate.

Effective communication with the Government and the public is conducted through the Corporate Plan and Corporate Plan Summary, as approved by the Board, the Annual Report, the interim quarterly reports, the corporate website, and an annual public meeting. As well, meetings are held as required with the Minister of Finance and officials of the

Government of Canada.

3.0 CORPORATE PROFILE

CDIC was incorporated in 1982 and has historically been used as a means of ensuring that the Government's interests have been managed with a commercial focus and made more effectively accountable. Over the years we have been given responsibility to hold and manage, or divest numerous Government holdings as directed or approved by the Minister of Finance ("the Minister"). Since 1984 we have successfully divested assets for over $3 billion in proceeds.

In 2008 at the request of the Minister, we incorporated a new subsidiary, PPP Canada Inc. (PPP) and provided initial financing on a loan basis and managerial services to this company. On May 8, 2008, PPP was deemed a parent Crown Corporation. Accordingly, although we remain the sole shareholder, we have no responsibility for this company and PPP reports directly to Parliament through the Minister of Finance.

In 2009 we implemented a Governor in Council directive to establish a new subsidiary, Canada GEN Investment Corporation ("GEN") to hold and manage Canada's equity interest in GM.

In November 2010, GM completed an initial public offering (IPO) through which GEN sold 20% of its GM common share holdings for net proceeds of $1.2 billion.

Our ownership interest in Chrysler Group LLC which we acquired in 2009 pursuant to a Governor in Council directive, was sold in 2011 for $132 million.

4.0 CORPORATE PERFORMANCE

4.1 Assessment of Previous Year's Results

Our actual performance in 2012 as compared to the objectives outlined in our 2012-2016 Corporate Plan is as follows:

Canada Development Investment Corporation and Canada GEN Investment Corporation

Our 2012 Objectives:

a) To manage our investments in CHHC;

b) To manage our investments in GM;

c) To continue to manage the portions of the Corporate Asset Management Review (CAMR) programme assigned to us; and

d) To manage other issues which may arise, and to remain prepared to assume management and divestiture of any other interests of Canada assigned to us, in a commercial manner.

Our 2012 Performance:

a) We continued to oversee, as shareholder, CHHC's working interest in Hibernia. In 2012, CHHC is forecast to pay $119 million in dividends to CDIC.

b) We continued to manage our investment in GM preferred and common shares. There has been no sale of GM common shares to date in 2012. The value of our 140 million shares has increased from $2.9 billion at December 31, 2011 to approximately $3.1 billion at September 30, 2012 based on a share price of US $23/share (at US$ 1.00 = C$ 0.9837). We continue to retain legal and financial advisors to allow us to manage a divestment strategy and be able to react to any potential sales opportunity, and to negotiate with relevant parties including GM and the other major shareholders with respect to procedural issues for any potential sale. In 2012, GEN is forecast to receive US $36 million (CAD $36 million) in preferred share dividends from GM.

c) We worked on CAMR projects in 2012. Our work includes preparing statements of work, issuing Requests for Proposals, identifying and contracting with consultants to perform the work, interacting between consultants and managers of the entity under review, monitoring the work of the consultants and reviewing the final report with the Department of Finance.

d) During Q3 2012, we initiated the sale process for one Crown asset with CDIC acting as agent to facilitate the sale.

Canada Eldor Inc.

a) Port Hope – Welcome Waste Site & Port Granby Waste Site

2012 Objective:

To monitor and share in the costs of disposing of accumulated wastes as agreed under the terms of the Purchase and Sale Agreement with Cameco Corporation.

2012 Performance:

In the first quarter of 2012, CEI and Cameco finalized an agreement whereby CEI paid Cameco $14 million to settle CEI's responsibilities to Cameco relating to the historic waste obligations in the Port Hope area. The payment was funded by a withdrawal from the CRF. CEI is no longer responsible for any costs relating to radioactive waste at the refineries under the 1988 purchase and sale agreement.

b) Beaverlodge Mine Site

2012 Objective:

To reimburse Cameco for the costs of decommissioning the mine site as agreed under the terms of the Purchase and Sale Agreement.

2012 Performance:

Cameco continues to monitor and manage the Beaverlodge site and provides CEI with monthly invoices indicating costs incurred. These have been paid after review by CEI. For 2012, payments to Cameco are forecast at $2.4 million.

c) Eldorado retirees

2012 Objective:

To continue to manage and fund the benefit plan for retired employees, which is administered by Cameco on CEI's behalf.

2012 Performance:

CEI is forecast to pay approximately $0.2 million for the year to cover claims and administrative costs for the benefit plan of retired employees.

4.2 Analysis of External Business Environment

The ongoing management of our holdings will depend on market conditions specific to the underlying company or investment.

The volume of work required of CDIC management is difficult to predict as it depends significantly on the requests of the Minister for assistance with the CAMR process.

The performance of CHHC is impacted by the normal variability associated with crude oil pricing, specifically the "Brent" price of crude, the CAD/USD foreign exchange rate, capital expenditures, operating expenditures and reservoir performance. However, given the relatively low cost structure of the Hibernia project, expected price fluctuations do not impact the sustainability of the project.

The value of the GM preferred shares held by GEN are impacted by foreign exchange movements. The shares cannot be purchased back by GM until December 2014. The forecasted fair value at December 31, 2012 assumes that the shares will be repurchased in 2014 at US$25/share. The current value reflects a premium based on the 9% dividend yield being higher than the market rate for similar instruments. If this rate changes materially, so would the fair value. The value of the common shares of GM is affected by fluctuating stock market prices and changes in the USD/CAD exchange rate.

CEI's financial obligations to Cameco may be affected by ongoing changes in the regulatory requirements enacted in particular by the Canadian Nuclear Safety Commission ("CNSC") and the Government of Saskatchewan.

5.0 OBJECTIVES AND STRATEGIES FOR THE PERIOD 2013 TO 2017

Canada Development Investment Corporation

Our main objectives relate to our mandate which is to manage the interests of the Government assigned to us, in a commercial manner. These are the main areas of focus for 2013 and beyond:

- Manage our working interest in the Hibernia oil field through our subsidiary CHHC and ensure that this asset is ready for sale when deemed appropriate.
- Manage our holdings in GM through GEN in a commercial manner and ensure that these assets are ready for sale when the market and other conditions are suitable for such a disposition.
- Manage sales processes of Government assets assigned to us by the Minister of Finance. In 2012 we commenced the process to evaluate and prepare for sale, a corporate asset of the Government. This effort is expected to continue in 2013 using a phased approach including preparing financial advice on the feasibility and requirements of a sale, managing a sales process and completing the sale. We remain prepared for other assignments.
- Through CEI manage the remaining liabilities of CEI which include mine site restoration costs and funding of retirement benefit obligations for former employees.
- Continue our involvement in the Government's Corporate Asset Management Review programme as desired by the Minister of Finance.
- Manage our operations to maintain our ability to perform tasks given to us in an efficient manner. This includes the use of contractor experts and consultants to manage projects that are specialized and short-term in nature.
- Remain available and prepared to address the needs of the Government for any future endeavour that is suitable given our capabilities and expertise.

Section 6.4 further discusses key financial assumptions for the proforma financial statements and schedules included as part of this Corporate Plan.

5.1 Canada Hibernia Holding Corporation

Please see the attached Appendix B for detailed information on the objectives and strategies of CHHC. CDIC assists CHHC, as necessary, regarding activities that might be required to ensure that the investment in the Hibernia project is ready when a divestiture decision is made.

5.2 Canada GEN Investment Corporation

GEN holds approximately 9% of the outstanding common shares of GM and US $402 million of GM Cumulative Series A Preferred Shares (6% of the aggregate number). We have a purely commercial mandate; accordingly GEN will act to dispose of the GM holding in a manner aimed at achieving a commercial value over the term of the investment. GEN has the necessary Governor in Council approvals to make sales. If market conditions reach

favourable levels, GEN may or may not sell some or all its GM holdings during the Plan period.

However, GEN remains capable of reacting to sale opportunities, if deemed acceptable.

Given the uncertainty of timing of GM share sales, for the purposes of the proforma financial statements in the planning period, GEN has not forecast any GM common share sales.

5.3 Canada Eldor Inc.

After the settlement of historic waste liabilities at Port Hope with Cameco in 2012, CEI has two remaining liabilities: site restoration liabilities and costs related to a decommissioned Uranium mine of Eldorado Nuclear in northern Saskatchewan; and costs related to post-employment benefits of former employees. CEI is also a defendant in a class action lawsuit going back several years in the Deloro township of Ontario.

5.3.1 CEI – Mine Site Restoration (near Beaverlodge Lake, Saskatchewan)

Beaverlodge is a former uranium mine site which has been inactive since prior to the sale of Eldorado assets to Cameco. Pursuant to the Purchase and Sale Agreement, CEI is responsible for all costs associated with the decommissioning of this site which was transferred to Cameco at the time of the sale. Cameco is responsible for the monitoring and management of the site and CEI reimburses Cameco for actual costs plus a 15% management fee. CEI accrues these costs based on estimates provided by Cameco.

In 2013, Cameco, which undertakes restoration work on behalf of CEI, will make representations at an expected hearing of the Canada Nuclear Safety Commission (CNSC). As part of its presentation, Cameco will evaluate potential remedial actions. The intent of such an evaluation is to outline to the CNSC what steps might be taken as part of a licensing process under the CNSC that will lead to certain properties that are currently the responsibility of CEI, being handed over to the control of the Province of Saskatchewan. CEI is and will continue to evaluate any potential efforts by Cameco staff in managing the process. CEI has hired independent consultants to assist it in monitoring Cameco's performance.

5.3.2 CEI - Defined Benefit Obligations

Pursuant to the Purchase and Sale Agreement, CEI is responsible for the management of the benefit plan for all Eldorado and Eldor employees who retired prior to October 1988. These benefits include life insurance, health and dental benefits. As of September 30, 2012, there were 219 former employees in this plan which is administered through Cameco.

5.4 The Corporate Asset Management Review and other capabilities

We continue to undertake responsibility for those components of CAMR assigned to us by the Department of Finance. The actions we undertake include identifying suitable consulting firms given project mandates, developing statements of work and requests for

proposals for projects, evaluating RFP proposals, hiring consultants, and managing the review project. We remain staffed to undertake these roles and we also hire contractors with specific skills and experience to augment our capabilities.

5.5 Risks and risk mitigation

We and our subsidiaries are subject to a number of risks. Those related to CHHC are detailed in its Corporate Plan Summary (see Appendix B).

CEI is subject to considerable liabilities, as discussed above. This exposure has been reduced, after the settlement of historic waste liabilities near Port Hope, Ontario in 2012. CEI has approximately $4 million in cash and short-term investments and $26 million in funds deposited with the CRF. Whether these funds are adequate is unknown due to the potential liabilities related to the 1988 agreement including site restoration and retiree benefits and other lawsuits which CEI faces. Liabilities for the Beaverlodge mine site are currently estimated at $11 million. However remedial work that may be required by the CNSC could significantly increase these costs. A CNSC hearing to be held in the spring of 2013 may reduce the uncertainties, but remediation requirements for uranium mines have changed significantly since Beaverlodge was closed in the late 1980s and may well continue to change.

GEN has no known liability at this time; however its primary asset is likely to be sold in both the United States and Canada through a series of public share sales or other types of sales. Under the laws of the U.S. and Canada, selling shareholders have potential liability to purchasers under some circumstances.

GEN's holdings of 140 million GM common shares are exposed to market pricing risk, foreign exchange risk and other risks associated with a global manufacturer and distributor of vehicles. For each US $1/share change in price, the resulting value of our investment changes the CAD equivalent of US$140 million. Similarly a C$0.01 change in the CAD/USD exchange rate affects the value of our GM holdings by $31 million at September 2012 price levels. However such changes in value do not affect our cash flow or profit until an actual sale. Changes in share value are reflected in Other Comprehensive Income as detailed in our Consolidated Statement of Comprehensive Income. Our divestment strategy and analysis incorporates the risk associated with market and foreign exchange risks. Neither we nor GEN undertake hedging activity against movements in the GM share price or the exchange rate.

We have no significant known liabilities at present.

6.0 FINANCIAL SECTION

6.1 IFRS

In 2011, CDIC adopted International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The 2011 consolidated financial statements of CDIC were prepared in accordance with IFRS, including 2010 comparatives.

6.2 Financial Overview for 2012

Consolidated profit is forecast for 2012 at $176 million, of which $160 million is from CHHC. Dividends paid are forecast for 2012 at $148 million, of which $35 million is sourced from GM preferred dividends and $113 million from CHHC earnings. At year-end 2012 we forecast a non-consolidated cash reserve of approximately $20 million to fund our obligations. CEI holds approximately $4 million in cash, and CHHC $60 million.

Included in this plan are five-year proforma financial projections as follows (December year-end):

Schedule 1 - Consolidated Statements of Financial Position
Schedule 2 - Consolidated Statements of Cash Flows
Schedule 3 - Consolidated Statements of Changes in Shareholder's Equity
Schedule 4 - Consolidated Statements of Comprehensive Income
Schedule 5 - Schedule of Operations

Key assumptions put forth in this Corporate Plan are outlined below in Section 6.4.

6.3 Quarterly Financial Reporting

We issue Quarterly Financial Statements which are posted in both English and French on our website (www.cdiccei.ca) within 60 days of a quarter end.

6.4 Key Assumptions in Financial Projections

This Corporate Plan is based on the following assumptions:

Canada Development Investment Corporation (non-consolidated)

1) Operating Costs - Financial projections assume management and the Board continue to closely manage costs. Forecast administration costs are $2 million annually throughout the planning period which is the same as the 2012 forecast and down from $2.4 million in 2011. The decrease from 2011 is due to decreased audit, legal and office expenses.

2) Dividend Revenue – CDIC will receive dividends from CHHC and GEN. The projected amounts to be received from CHHC for the five year period are as follows:

2013	$147 million
2014	$136 million

2015	$132 million
2016	$111 million
2017	$90 million

GEN's annual dividend income is projected to be US$36 million (CAD $36 million) to the end of 2014. CDIC will pass on proceeds of dividends received from subsidiaries in the form of dividends, subject to maintaining a cash position of $20 million.

3) Foreign Exchange Rate – For the plan period, 2013 to 2017, an exchange rate of US$1.00 equals C$1.00 is used for CDIC and all of its subsidiaries.

Canada Hibernia Holding Corporation

4) Operating Revenues and Costs – CHHC's revenues and costs are discussed in detail in Appendix B.

5) Dividends paid – CHHC will forward dividends to its parent as discussed above.

Canada Eldor Inc.

6) Operating Costs - CEI's operating costs are projected at $0.4 million in 2013 and $0.3 million for 2014 to 2017. Higher costs to prepare for and participate in the CNSC hearings are forecast in 2013.

7) Site Restoration (Beaverlodge) - CEI has accrued anticipated costs of approximately $11 million for the decommissioning of the Beaverlodge site which is anticipated to be completed by 2021 but may be extended depending on plans developed with Cameco.

8) Retiree Benefits – Annual benefits and administration payments are estimated at $0.2 million which are provided for in the defined benefit obligation liability.

9) Litigation - No payments are assumed for the lawsuit which CEI is defending other than for legal advisor costs.

10) CRF - Interest is accrued on CEI's funds on deposit in the CRF at a rate equal to 90% of the Government's 90-day Treasury Bill rate.

Canada GEN Investment Corporation

11) GEN is not predicting any sales of GM common shares for the purposes of the financial projections. The timing of sales will be dependent on the market.

12) Dividend Income – GEN expects to receive annual dividends of US$36 million or approximately CAD$36 million assuming an exchange rate of CAD$1.00 per US$1.00 until the shares are purchased by GM in 2014.

13) GM Preferred shares – Preferred shares are expected to be repurchased by GM at the end of 2014 at par value of US$ 25 per share or US$ 403 million.

6.5 Capital Budget

Neither we, nor our wholly owned subsidiaries CHHC, CEI or GEN, require any capital funding for the 2013 fiscal year.

Canada Development Investment Corporation
2013-2017 Corporate Plan Summary

Schedule 1 - Proforma Consolidated Statements of Financial Position

$ millions (Dec 31)

	2011 Actual	2012 Plan	2012 Forecast	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan
Assets								
Currents assets:								
Cash and cash equivalents	73.00	93.46	85.29	85.22	85.43	85.33	84.98	84.68
Accounts receivable	33.12	24.16	27.06	3.39	3.39	3.39	3.39	3.39
Other	22.64	8.32	7.53	7.11	6.70	6.40	6.35	6.82
	128.76	**125.94**	**119.88**	**95.72**	**95.52**	**95.12**	**94.72**	**94.90**
Non current assets:								
Cash on deposit in CRF	117.41	113.64	119.52	116.96	116.41	115.70	114.74	113.24
Property & equipment	139.14	119.45	159.77	170.31	167.30	196.27	210.12	238.07
Cash held in Escrow	5.55	4.23	5.97	5.97	5.97	5.97	5.97	5.97
Investments	3,315.21	3,245.00	3,776.03	3,770.03	3,362.03	3,362.03	3,362.03	3,362.03
Deferred tax asset	1.19	-	3.41	0.91	4.11	-	7.75	4.07
	3,578.50	**3,482.32**	**4,064.70**	**4,064.19**	**3,655.82**	**3,679.97**	**3,700.61**	**3,723.38**
	3,707.26	**3,608.26**	**4,184.58**	**4,159.91**	**3,751.34**	**3,775.09**	**3,795.33**	**3,818.28**
Liabilities and Shareholder's Equity								
Current liabilities	**64.74**	**50.20**	**27.83**	**24.52**	**22.40**	**22.11**	**22.06**	**22.54**
Long term liabilities	**83.75**	**58.87**	**97.42**	**94.42**	**94.43**	**96.93**	**97.01**	**98.00**
Shareholder's Equity								
Capital stock	-	-	-	-	-	-	-	-
Contributed surplus	3,216.29	3,892.18	3,216.29	3,216.29	2,813.79	2,813.79	2,813.79	2,813.79
Accumulated deficit	(402.74)	(1,093.98)	(375.00)	(393.36)	(397.33)	(375.78)	(355.56)	(334.10)
Accumulated other comprehensive income	745.22	700.98	1,218.04	1,218.04	1,218.04	1,218.04	1,218.04	1,218.04
	3,558.77	**3,499.18**	**4,059.33**	**4,040.98**	**3,634.50**	**3,656.05**	**3,676.27**	**3,697.73**
	3,707.26	**3,608.26**	**4,184.58**	**4,159.91**	**3,751.34**	**3,775.09**	**3,795.33**	**3,818.28**

Note - see Appendix B for CHHC detailed Financial Statement

Schedule 2 - Proforma Consolidated Statements of Cashflow

$ millions (Dec 31)

	2011 Actual	2012 Plan	2012 Forecast	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan
Cash provided by (used in):								
Operating activities:								
Profit for the year	335.59	170.12	176.13	158.95	160.35	147.16	124.91	105.95
Adjustments for								
Gain on sale of investments	(112.31)	-	-	-	-	-	-	-
Non-cash deductions	30.47	32.46	33.48	38.52	46.72	43.43	32.22	43.50
Change in fair value held-for-trading assets	(5.00)	14.00	12.00	6.00	5.50	-	-	-
Change in other provisions - CEI	1.98	-	(16.60)	(2.19)	(1.77)	(1.33)	(1.04)	(0.99)
Abandonment activities	(2.85)	(3.83)	(3.15)	(1.56)	(0.79)	-	-	-
	247.89	212.75	201.86	199.72	210.02	189.26	156.09	148.46
Change in non-cash working capital	4.89	(30.82)	(17.65)	20.92	0.02	0.01	-	0.01
	252.77	**181.93**	**184.21**	**220.64**	**210.04**	**189.27**	**156.09**	**148.47**
Financing activities:								
Dividends paid	(392.87)	(157.00)	(148.40)	(177.30)	(164.33)	(125.61)	(104.69)	(84.49)
Dividends paid from contributed surplus	(20.00)	-	-	-	(402.50)	-	-	-
Net change in CRF	(0.22)	9.79	13.78	3.78	1.81	1.83	1.84	1.86
Lease obligation payments	(1.43)	(1.82)	(1.66)	(1.86)	(1.71)	-	-	-
	(414.52)	**(149.03)**	**(136.28)**	**(175.38)**	**(566.73)**	**(123.79)**	**(102.85)**	**(82.64)**
Investing:								
Proceeds on sale of investments	132.31	-	-	-	402.50		-	-
Hibernia project facilities	(30.34)	(31.98)	(36.30)	(44.52)	(44.77)	(64.75)	(52.75)	(65.29)
Cash and cash equivalents held in escrow	0.14	-	1.46	-	-	-	-	-
Abandonment and risk fund	2.75	(0.95)	(0.80)	(0.81)	(0.82)	(0.83)	(0.83)	(0.84)
	104.86	**(32.93)**	**(35.64)**	**(45.33)**	**356.91**	**(65.58)**	**(53.58)**	**(66.13)**
Increase (decrease) in cash & cash equivalents	(56.89)	(0.03)	12.29	(0.07)	0.22	(0.10)	(0.34)	(0.31)
Cash, beginning of year	129.88	93.49	73.00	85.29	85.22	85.43	85.33	84.98
Cash, end of year	**73.00**	**93.46**	**85.29**	**85.22**	**85.43**	**85.33**	**84.98**	**84.68**

Schedule 3 - Proforma Consolidated Statements of Changes in Shareholder's Equity

$ millions (Dec 31)

	2011 Actual	2012 Plan	2012 Forecast	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan
Share Capital	-	-	-	-	-	-	-	-
Contributed Surplus								
Balance, beginning of year	**3,912.18**	**3,892.18**	**3,216.29**	**3,216.29**	**3,216.29**	**2,813.79**	**2,813.79**	**2,813.79**
Dividends paid	(20.00)	-	-	-	(402.50)		-	-
Transfer to accumulated deficit	(675.89)	-	-	-	-		-	-
Balance, end of year	**3,216.29**	**3,892.18**	**3,216.29**	**3,216.29**	**2,813.79**	**2,813.79**	**2,813.79**	**2,813.79**
Accumulated deficit								
Balance, beginning of year	(1,021.72)	(1,107.10)	(402.74)	(375.00)	(393.36)	(397.33)	(375.78)	(355.56)
Net income	335.59	170.12	176.13	158.95	160.35	147.16	124.91	105.95
Actuarial gain	0.37	-	-	-	-	-	-	-
Dividends	(392.87)	(157.00)	(148.40)	(177.30)	(164.33)	(125.61)	(104.69)	(84.49)
Transfer from contributed surplus	675.89	-	-	-	-	-	-	-
Balance, end of year	**(402.74)**	**(1,093.98)**	**(375.00)**	**(393.36)**	**(397.33)**	**(375.78)**	**(355.56)**	**(334.10)**
Accumulated other comprehensive income								
Balance, beginning of year	2,659.29	768.35	745.22	1,218.04	1,218.04	1,218.04	1,218.04	1,218.04
Realized gain sale of Investment -Chrysler	(112.31)	-	-	-	-	-	-	-
Net change in unrealized gain on investment	(1,801.76)	(67.37)	472.82	-	-	-	-	-
Balance, end of year	**745.22**	**700.98**	**1,218.04**	**1,218.04**	**1,218.04**	**1,218.04**	**1,218.04**	**1,218.04**
Total Shareholder's equity	**3,558.77**	**3,499.18**	**4,059.33**	**4,040.98**	**3,634.50**	**3,656.05**	**3,676.27**	**3,697.73**

Schedule 4 - Proforma Consolidated Statements of Comprehensive Income (Loss)

$ millions (Dec 31)

	2011 Actual	2012 Plan	2012 Forecast	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan
CDIC (non-consolidated)								
Net operating income (loss) (1)	(5.58)	(6.17)	(6.84)	(6.07)	(5.68)	(5.72)	(5.75)	(5.79)
Gain on sale of Chrysler assets	112.31	-	-	-	-	-	-	-
	106.73	**(6.17)**	**(6.84)**	**(6.07)**	**(5.68)**	**(5.72)**	**(5.75)**	**(5.79)**
CEI								
Net operating income (loss) (1)	(0.37)	(0.08)	(0.02)	(0.06)	(0.09)	(0.10)	(0.12)	(0.13)
Historic waste	(2.94)	-	-	-	-	-	-	-
Retiree benefit costs	(0.13)	(0.12)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)
Site restoration costs	(0.47)	-	(0.34)	(0.32)	(0.30)	(0.28)	(0.26)	(0.24)
	(3.91)	**(0.20)**	**(0.45)**	**(0.48)**	**(0.48)**	**(0.47)**	**(0.47)**	**(0.46)**
GEN								
Net operating income (loss) (1)	34.53	33.04	35.09	35.31	35.31	(0.92)	(0.92)	(0.92)
FX loss (gain)	(0.09)							
Unrealized change in fair value of held for trading assets	5.00	(14.00)	(12.00)	(6.00)	(5.50)	-	-	-
	39.44	**19.04**	**23.09**	**29.31**	**29.81**	**(0.92)**	**(0.92)**	**(0.92)**
CHHC								
Net operating income (2)	193.32	157.45	160.33	136.19	136.70	154.26	132.05	113.12
Profit	**335.59**	**170.12**	**176.13**	**158.95**	**160.35**	**147.16**	**124.91**	**105.95**
Other Comprehensive Income (Loss)								
Net Actuarial Gain	0.37							
Unrealized change in fair value - Chrysler	(112.31)	-		-	-	-	-	-
Unrealized change in fair value - GM	(1,801.76)	(67.37)	472.82	-	-	-	-	-
	(1,913.70)	**(67.37)**	**472.82**	**-**	**-**	**-**	**-**	**-**
Comprehensive Income (Loss)	**(1,578.11)**	**102.75**	**648.96**	**158.95**	**160.35**	**147.16**	**124.91**	**105.95**

(1) see Schedule 5 for detail

(2) see Appendix B

Schedule 5 - Proforma Statements of Operations

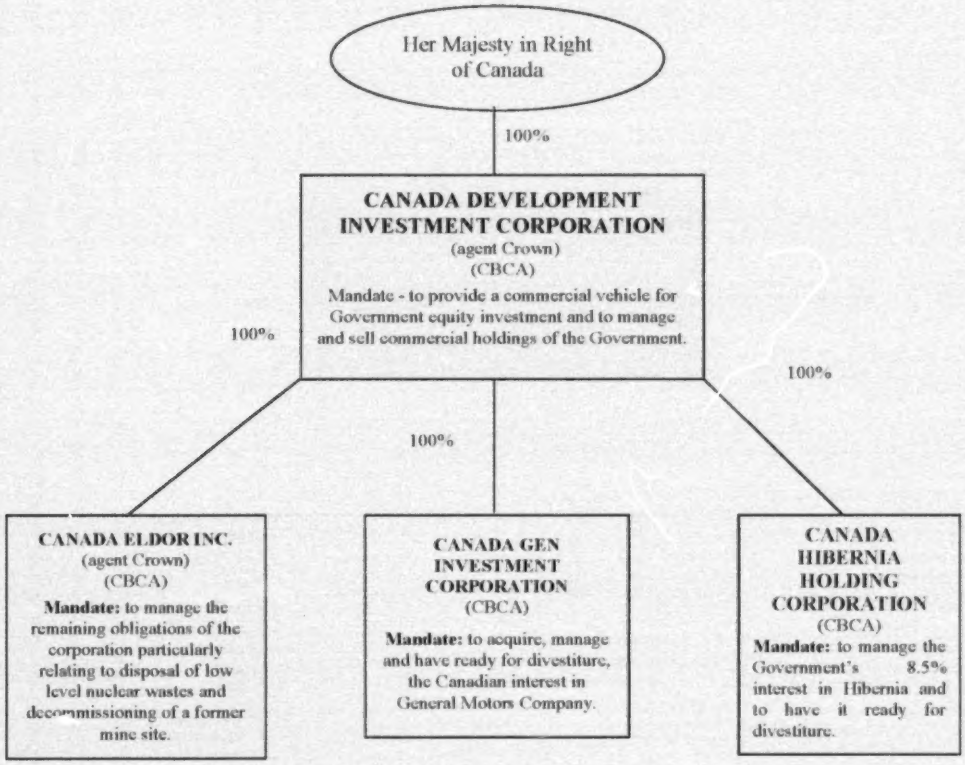
$ millions (Dec 31)

	2011 Actual	2012 Plan	2012 Forecast	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan
CDIC (non-consolidated)								
Operating income								
Interest income	0.57	0.20	0.24	0.20	0.20	0.20	0.20	0.20
Management fees	0.14	0.12	0.12	0.12	0.12	0.12	0.12	0.12
	0.71	0.32	0.36	0.32	0.32	0.32	0.32	0.32
Operating Expense								
Divestiture and asset review costs	2.69	4.50	5.20	4.45	4.00	4.00	4.00	4.00
Professional fees	0.86	0.48	0.44	0.40	0.42	0.42	0.42	0.42
Salaries & benefits	1.13	1.19	1.17	1.21	1.24	1.28	1.31	1.35
Other	1.61	0.32	0.38	0.34	0.35	0.35	0.35	0.35
	6.29	6.49	7.20	6.39	6.01	6.04	6.08	6.11
Net operating loss	(5.58)	(6.17)	(6.84)	(6.07)	(5.68)	(5.72)	(5.75)	(5.79)
CEI								
Operating income								
Interest income	0.10	0.10	0.09	0.06	0.05	0.06	0.05	0.05
Interest on CRF	0.33	0.30	0.22	0.22	0.19	0.18	0.16	0.15
	0.43	0.40	0.31	0.28	0.24	0.23	0.21	0.20
Operating Expense								
Professional fees	0.74	0.43	0.28	0.30	0.28	0.28	0.28	0.28
Salaries & benefits	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Other	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
	0.80	0.48	0.33	0.35	0.33	0.33	0.33	0.33
Net operating loss	(0.37)	(0.08)	(0.02)	(0.06)	(0.09)	(0.10)	(0.12)	(0.13)
GEN								
Operating income								
Dividend income	36.12	35.03	36.14	36.23	36.23	-	-	-
Interest income	-	-	-	-	-	-	-	-
	36.12	35.03	36.14	36.23	36.23	-	-	-
Operating expense								
Professional fees	1.56	1.95	1.01	0.89	0.89	0.89	0.89	0.89
Salaries & benefits	0.03	0.02	0.02	0.03	0.03	0.03	0.03	0.03
Other	0.01	0.02	0.01	0.00	0.00	0.00	0.00	0.00
	1.59	1.99	1.04	0.92	0.92	0.92	0.92	0.92
Net operating income (loss)	34.53	33.04	35.09	35.31	35.31	(0.92)	(0.92)	(0.92)
CHHC								
Total revenue	326.18	291.81	287.25	263.61	264.83	284.86	237.43	224.36
Total expenses	52.13	58.58	61.39	67.64	73.64	64.55	67.75	66.21
Income taxes	80.73	75.78	65.53	59.78	54.49	66.05	37.63	45.03
Net operating income	193.32	157.45	160.33	136.19	136.70	154.26	132.05	113.12
Total Net Operating Income	**221.90**	**184.24**	**188.57**	**165.37**	**166.25**	**147.53**	**125.27**	**106.29**

Note -see Appendix B for CHHC's operating budget

Appendix A

CANADA DEVELOPMENT INVESTMENT CORPORATION


Her Majesty in Right of Canada
100%
CANADA DEVELOPMENT INVESTMENT CORPORATION
(agent Crown)
(CBCA)
Mandate - to provide a commercial vehicle for Government equity investment and to manage and sell commercial holdings of the Government.
100%
100%
100%
CANADA ELDOR INC.
(agent Crown)
(CBCA)
Mandate: to manage the remaining obligations of the corporation particularly relating to disposal of low level nuclear wastes and decommissioning of a former mine site.
CANADA GEN INVESTMENT CORPORATION
(CBCA)
Mandate: to acquire, manage and have ready for divestiture, the Canadian interest in General Motors Company.
CANADA HIBERNIA HOLDING CORPORATION
(CBCA)
Mandate: to manage the Government's 8.5% interest in Hibernia and to have it ready for divestiture.

Note - PPP Canada Inc has been proclaimed a parent Crown Corporation and although CDIC is its sole shareholder it has no further management responsibility for this company.

Appendix A (cont.)

Board of Directors

N. William C. Ross, LL.M. [2][3]
Chairman
Canada Development Investment Corporation
Chairman Emeritus and Partner
WeirFoulds LLP
Toronto, Ontario

John James Hillyard, MBA [2][3]
Director
St. John's, Newfoundland and Labrador

Ted Howell, CA, MBA [1][3]
Director
St. John's, Newfoundland and Labrador

Mary Beth Montcalm, PhD [2]
Director
Toronto, Ontario

Mary Ritchie, FCA [1]
CEO
Richford Holdings Ltd.
Edmonton, Alberta

Benita M. Warmbold, FCA [1][2]
Senior Vice-President and Chief Operations Officer
Canada Pension Plan Investment Board
Toronto, Ontario

Committees of the Board
[1] Audit Committee
[2] Nominating and Governance Committee
[3] Human Resources and Compensation Committee

Officers

Michael Carter
Executive Vice-President

Andrew Stafl, CA
Vice-President, Finance

Zoltan Ambrus
Vice-President

Patrice Walch-Watson
Corporate Secretary

APPENDIX B

CHHC

CANADA HIBERNIA HOLDING CORPORATION

A wholly owned subsidiary of

Canada Development Investment Corporation

CORPORATE PLAN SUMMARY

FOR THE YEARS 2013 – 2017

December 2012

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1.0 Hibernia Project – Summary

Canada Hibernia Holding Corporation (CHHC) is a wholly owned subsidiary of Canada Development Investment Corporation (CDIC), a federal crown corporation.

CHHC was established in March 1993, for the sole purpose of holding, managing, administering and operating the 8.5% working interest that CHHC acquired as a consequence of Gulf Canada withdrawing from the Hibernia project. Although the Hibernia field was discovered in 1979, oil production did not commence until November 1997 with the completion of the field facilities earlier that year.

Hibernia has been a very successful venture. Cash in excess of operational requirements was initially used to repay the $431 million in appropriations from Canada and, subsequently, to pay dividends to its shareholder. CHHC forecasts that it will have paid cumulative dividends of $1.66 billion to the end of 2012.

Based on the 2013 Plan estimates and the September 2012 oil price forecast, CHHC forecasts that $147 million in dividends will be paid to CDIC during 2013, an increase from the $119 million forecast for 2012. The increase in the 2013 dividend is due to the slippage on the last 2012 cargo into 2013 which lowered 2012 results and increased 2013 results.

CHHC's goals are as follows:

- To manage CHHC's investment in the Hibernia offshore oil development project to achieve optimum return, while ensuring that the financial and other obligations associated with the investment are satisfied.

- To have the investment in the Hibernia project ready for divestiture when so requested by the shareholder.

CHHC achieves the first of the above goals through fulfilling its role as a non-operating interest owner of the Hibernia project and its role in managing the marketing and transportation of its share of Hibernia crude oil. Part of the role is filled through participation on the Hibernia Executive Committee, the Unit Operating Committee and the business and technical committees that oversee planning and operations. Further, CHHC manages its 25% interest in the MT Mattea time charter, its contractual capacity commitment at Newfoundland Transshipment Ltd. (NTL), the marketing of CHHC cargoes of Hibernia crude and the associated transportation logistics.

CHHC derives its cash flow solely from its Hibernia production operating activities and assets which include its share of Hibernia field production, Hibernia platform fees, its tanker asset and its reserved capacity interest at NTL.

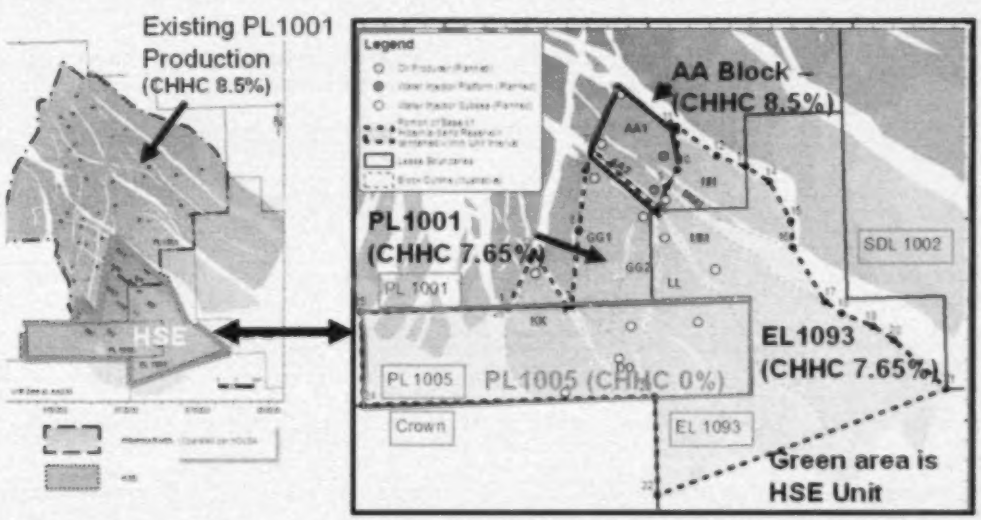
While CHHC's initial share of funding was obtained through appropriations from Canada, funding since 1998 has come from the sale of CHHC's portion of crude oil produced at Hibernia. CHHC is responsible for having sufficient cash available to fund its capital and operating costs, royalties, taxes, administrative costs and future abandonment costs without

further appropriations from the shareholder. CHHC is also responsible for paying federal and provincial income taxes, royalties and the Net Profits Interest on the same basis as it would if CHHC was a private sector company.

The Hibernia field consists of the PL1001 production license area originally approved for development and the new Hibernia Southern Extension (HSE) area which comprises portions of PL1001, and all of PL1005 and EL1093 (currently under conversion to a production license). CHHC's interest in the existing production of PL1001 and the non-unit portions of the new HSE area in PL1001 is 8.5%. The other Owners in these PL1001 areas are: ExxonMobil (33.125%), Chevron (26.875%), Suncor (20.0%), Murphy (6.5%) and Statoil (5.0%).

In 2009, the Owners agreed to pool their ownership interests and form the HSE Unit. In February 2010, Nalcor, the provincial oil company of the Province of Newfoundland and Labrador, acquired a 10% equity interest from all the Hibernia Owners, in certain defined HSE lands, proportional to each Hibernia Owners' working interest. Accordingly, Nalcor now has an initial 10% working interest in the HSE Unit.

The following diagram shows the CHHC working interests in the existing production PL1001 lease, the HSE non-Unit PL1001 AA block area and the resulting CHHC working interest in the Unit portion of PL1001 and EL1093 leases after the sale to Nalcor. CHHC's initial HSE Unit working interest is 5.08482% which will be re-determined according to the adjustment process in the Unit Agreement. The HSE Unit comprises the combination of the areas identified below as the PL1005 (CHHC 0%), EL1093 (in process of conversion to a production license) (CHHC 7.65%) and the PL1001 Unit (CHHC 7.65%) areas. The HSE Unit area is colored green below.



The project is operated by the Hibernia Management and Development Company (HMDC) on behalf of the owners, with the management, administrative and technical staff being

provided under contract from ExxonMobil Corporation. The HSE Unit is operated in a similar manner.

All activities undertaken to date and contemplated in this Corporate Plan remain within the mandate of CHHC.

2.0 Review of 2012 Operations

With respect to the current year, CHHC's 2012 revenue is forecasted at $460 million compared to $479 million in the budget resulting in a dividend forecast of $119 million compared to $129 million in the budget. Although the production budget was almost met, the small shortfall resulted in the slippage of payment of the last cargo of 2012 into the first week of January 2013

The production for the year is forecast to average 136,000 bopd compared to the original budget of 140,000 bopd. The scheduled platform tri-annual turnaround that commenced August 15, 2012 was extended 10 days longer than the planned 21 days due to adverse weather and maintenance being more complicated than expected. As well, the maintenance issues resulted in a longer ramp up to full production than expected.

The average 2012, oil price is forecast to be slightly higher than budget at CAD $115 per bbl (budget CAD $111 per bbl). General and administrative costs for 2012 are estimated to be $2.73 million. The actual year end revenue and other financial numbers may vary from these forecasts.

Total Hibernia operating costs are marginally higher than budget primarily due to higher field and overhead costs. The 2012 CHHC share of operating costs will be $20 million.

During 2012, CHHC paid a 30% net royalty rate for Hibernia non-unit, a 42.5% net royalty rate for the AA blocks, a sliding scale net royalty rate up to 42.5% on the PL1001 portion of the HSE Unit and a 5% gross royalty rate on the EL1093 HSE Unit production to the Province. In addition, CHHC paid 10% NPI payments to Canada.

Implementation continued in 2012 of the recommendations arising from the Offshore Helicopter Safety Inquiry established by the Canada - Newfoundland and Labrador Offshore Petroleum Board in respect of the tragic crash of a crew change helicopter offshore Newfoundland and Labrador on March 12, 2009

Total Hibernia capital expenditures will be lower than budgeted due to deferral of certain capital projects (primarily gas lift), lower capital work overs and abandonments offset by higher drilling costs to take advantage of new drilling opportunities. CHHC's 2012 share of capital expenditures will be $45 million.

Construction of the new gas lift system to improve well productivity is continuing with completion scheduled for 2014. The excavated drilling center was completed in 2012 for the commencement of HSE Unit subsea drilling in 2013.

In addition to the ongoing significant drilling expenditures at Hibernia, the major initiative for the Hibernia Owners in 2012 was the continuing implementation of development of the HSE Unit, which received project sanction in 2011.

The first two HSE Unit oil wells that were drilled in 2011 continued to be produced in 2012, subject to reduced production due to reservoir pressure constraints. These production constraints should be removed in 2014 when their corresponding water injection wells are on injection. Hibernia Owners will continue to focus on the successful achievement of HSE Unit development in addition to optimizing recovery and production from the existing Hibernia field.

This drilling of additional producer-injector well pairs in the HSE Unit will add considerable incremental production. The HSE Unit development plan involves drilling water injection wells utilizing a floating drilling rig (MODU), drilling oil producing wells from the platform and pipeline tie-in of these wells back to the Hibernia platform.

The development of additional HSE Unit intervals was pursued in 2012 with the goal of achieving project sanction in late 2012 or early 2013.

Hibernia Owners are also evaluating development options for the BNA in reservoir blocks in the existing non-Unit Hibernia field. Project decisions could occur in 2013 or 2014.

3.0 Marketing & Transportation

The price that CHHC receives for their product is linked to the Dated Brent benchmark which is used for supply pricing for refineries with access to waterborne crude. Brent fluctuates with global supply and demand issues, including a wide range of geopolitical factors and is priced in U.S. dollars.

CHHC continues to participate with other Hibernia and Grand Banks owners in discussions and consideration of a long term tanker cost sharing and tanker agreement.

4.0 Risk

This Corporate Plan has the normal variability associated with crude pricing, capital expenditures, operating expenditures and reservoir performance. Of these variables, the following are deemed important to CHHC for the 2013 Corporate Plan:

- Operational and technical issues and risks
- Commodity price risk
- Foreign currency risk
- Regulations and royalties issues and risks
- Environmental issues and risks
- Abandonment and risk reserve

For expansion projects, the major unpredictable uncertainties are related to reservoir quality, reservoir thickness, connectivity in the reservoir between wells and oil-water contact depth.

5.0 Organization

Since its inception in 1992, CHHC has been staffed by a modest number of experienced energy industry professionals. At the end of 2012, the staff consisted of 7 full and part-time employees and 1 part-time consultant. Reservoir evaluation, legal, audit, insurance, administrative and other advisory services are also accessed when required.

6.0 Objectives for 2013

CHHC's objectives and strategies focus on all Hibernia operations. CHHC works in partnership with other Hibernia owners to preserve and enhance the Hibernia asset.

7.0 Financial Information – 2013 Plan

7.1 Financial Overview

In 2013, Hibernia production is budgeted by CHHC to average 134,400 bopd resulting in the sale for CHHC's account of 4.2 million barrels.

Using third party crude oil price and foreign exchange forecast as of September 2012, CHHC is budgeting an average Dated Brent price of USD $100.00 per barrel (bbl) and an exchange rate of $1.000 USD to CAD, yielding a price of CAD $100.00/bbl, resulting in projected revenues of $422 million for 2013.

CHHC's share of project expenses for 2013 is budgeted to be $30 million for operations (field and well, insurance, transportation and administration, less facility/processing fees and less interest income). Net operating cash flow is forecast to be $175 million after royalty payments of $122 million, NPI payments of $38 million and taxes of $57 million. Operating costs for Hibernia are largely fixed costs that do not vary significantly with changing production volumes but are subject to inflationary pressures for oilfield services and the timing of well abandonments, maintenance and replacement of equipment.

CHHC's share of budgeted capital and abandonment expenditures is $45 million, composed of $18 million for drilling, $27 million for facility projects and $2 million for abandonment. The capital budget includes funds for drilling, for gas lift equipment, for continued development in the HSE Unit, BNA development in the non-unit portion of the field and for well abandonment costs.

Based on the above estimates, CHHC projects that it will pay $147 million in dividends during 2013.

CHHC's cash flows are sensitive to crude oil price, exchange rates and production volumes. Sensitivities of these items on 2013 annual cash flows, after tax, are as follows:

Item	Sensitivity	CHHC After Tax Cash Flow Change ($CAD Million)
Oil Price	US$ 1.00/barrel	$2
US$ Exchange Rate	$ 0.01	$2
Hibernia Production Volume	10,000 barrels of oil per day	$14 *

* Note: The amount shown assumes there is a cash flow change for every additional barrel produced during the year. CHHC shares crude oil shipments at the GBS in cargo increments. Therefore production increases do not always directly translate into cash flow increases within a given year. A 10,000 bopd increase in platform gross production equals 310,250 additional barrels over the year for CHHC's interest.

7.2 International Financial Reporting Standards (IFRS)

In 2011, CHHC adopted International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The 2011 financial statements of CHHC were prepared in accordance with IFRS, including 2010 comparatives.

7.3 2013 Proforma Financial Statements

See attached Schedule I, II and III.

Canada Hibernia Holding Corporation **Schedule I**
Proforma Statements of Financial Position
December 31, 2011 To 2017
CAD$ millions

	Actual 2011	Forecast 2012	Plan 2013	Plan 2014	Plan 2015	Plan 2016	Plan 2017
Assets							
Current assets:							
Cash and investments operating	43.41	60.60	60.48	60.00	60.00	60.00	60.00
Accounts receivable	32.69	27.06	3.69	3.69	3.69	3.69	3.69
Prepaid and deferred	0.29	0.29	0.29	0.29	0.29	0.29	0.29
Inventory	4.97	4.97	4.97	4.97	4.97	4.97	4.97
Total current assets	**81.36**	**92.92**	**69.43**	**68.95**	**68.95**	**68.95**	**68.95**
Plant and equipment:							
Hibernia project facilities	196.91	251.93	296.45	341.22	405.97	458.72	524.01
Crude oil tanker	13.55	13.55	13.55	13.55	13.55	13.55	13.55
Total plant and equipment at cost	210.46	265.48	310.00	354.77	419.52	472.27	537.56
Less accumulated depletion and depreciation	(71.32)	(105.71)	(139.69)	(187.47)	(223.25)	(262.15)	(299.49)
Net plant and equipment	**139.14**	**159.77**	**170.31**	**167.30**	**196.27**	**210.12**	**238.07**
Other assets:							
Deferred tax asset	1.19	3.41	0.91	4.11	(1.29)	7.75	4.07
Cash held in escrow	5.55	5.97	5.97	5.97	5.97	5.97	5.97
Abandonment and risk fund	94.90	95.70	96.51	97.33	98.16	98.99	99.83
Total other assets	**101.64**	**105.08**	**103.39**	**107.41**	**102.84**	**112.71**	**109.87**
	322.14	**357.77**	**343.13**	**343.66**	**368.06**	**391.78**	**416.89**
Liabilities And Shareholder's Equity							
Current liabilities:							
Accounts payable and accrued liabilities	23.86	22.84	22.16	22.18	22.18	22.18	22.18
Income taxes payable	20.94	0.56	(1.21)	(1.21)	(1.21)	(1.21)	(1.21)
Current lease obligation	1.64	1.85	1.71	-	-	-	-
Due to shareholder	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Total current liabilities	**46.74**	**25.55**	**22.96**	**21.27**	**21.27**	**21.27**	**21.27**
Other liabilities:							
Long term lease obligation	3.59	1.72	-	-	-	-	-
Future income taxes	-	-	-	-	-	-	-
Asset retirement obligations	67.64	85.00	85.48	86.83	89.08	91.44	93.92
Total other liabilities	**71.23**	**86.72**	**85.48**	**86.83**	**89.08**	**91.44**	**93.92**
Shareholder's equity:							
Retained earnings	204.17	245.50	234.69	235.56	257.71	279.07	301.70
Total shareholder's equity	**204.17**	**245.50**	**234.69**	**235.56**	**257.71**	**279.07**	**301.70**
	322.14	**357.77**	**343.13**	**343.66**	**368.06**	**391.78**	**416.89**

Canada Hibernia Holding Corporation **Schedule II**

Proforma Statements Of Operations And Retained Earnings

Years Ended December 31, 2011 To 2017

CAD$ millions

	Actual 2011	Forecast 2012	Plan 2013	Plan 2014	Plan 2015	Plan 2016	Plan 2017
Revenue							
Crude oil sales	521.57	459.87	421.60	420.00	455.40	470.00	451.20
Royalty	(152.58)	(133.52)	(121.84)	(121.38)	(131.61)	(199.75)	(191.76)
Net profits interest	(46.48)	(41.21)	(38.37)	(38.22)	(44.19)	(39.08)	(40.93)
Net crude oil sales	322.51	285.14	261.39	260.40	279.60	231.17	218.51
Interest income	2.73	1.74	1.56	1.42	1.43	1.43	1.44
Facility & processing fees	0.94	0.37	0.66	3.01	3.83	4.83	4.41
Total revenue	**326.18**	**287.25**	**263.61**	**264.83**	**284.86**	**237.43**	**224.36**
Expenses							
Field operating	13.88	20.19	22.98	14.81	15.23	13.63	13.86
Transportation	2.84	2.02	5.68	6.09	8.50	10.00	9.60
Administration	2.26	2.73	2.80	2.80	2.79	2.86	2.93
Interest - capital lease	0.22	0.27	0.16	0.02	-	-	-
Depreciation & depletion	32.59	34.39	33.98	47.78	35.78	38.90	37.34
Accretion	1.38	1.79	2.04	2.14	2.25	2.36	2.48
Other	(1.04)	-	-	-	-	-	-
Total expenses	**52.13**	**61.39**	**67.64**	**73.64**	**64.55**	**67.75**	**66.21**
Net income before tax	**274.05**	**225.86**	**195.97**	**191.19**	**220.31**	**169.68**	**158.15**
Income taxes							
Future income tax	(2.66)	(2.22)	2.50	(3.20)	5.40	(9.04)	3.68
Actual current income tax	83.39	67.75	57.28	57.69	60.65	46.67	41.35
Total income taxes	80.73	65.53	59.78	54.49	66.05	37.63	45.03
Net income	**193.32**	**160.33**	**136.19**	**136.70**	**154.26**	**132.05**	**113.12**
Retained earnings:							
Beginning of year	227.85	204.17	245.50	234.69	235.56	257.71	279.07
Dividends	(217.00)	(119.00)	(147.00)	(135.83)	(132.11)	(110.69)	(90.49)
End of year	**204.17**	**245.50**	**234.69**	**235.56**	**257.71**	**279.07**	**301.70**

Canada Hibernia Holding Corporation **Schedule III**

Proforma Statements Of Cash Flow

Years Ended December 31, 2011 To 2017

CAD$ millions

	Actual 2011	Forecast 2012	Plan 2013	Plan 2014	Plan 2015	Plan 2016	Plan 2017
Operating activities:							
Income for year	193.32	160.33	136.19	136.70	154.26	132.05	113.12
Non-cash deductions	31.38	33.96	38.52	46.72	43.43	32.22	43.50
Changes in non-cash working capital	9.74	(17.65)	20.92	0.02	-	-	-
Abandonment activities	(2.85)	(3.15)	(1.56)	(0.79)	-	-	-
	231.59	**173.49**	**194.07**	**182.65**	**197.69**	**164.27**	**156.62**
Investing activities:							
Hibernia project facilities	(30.34)	(36.30)	(44.52)	(44.77)	(64.75)	(52.75)	(65.29)
Cash held in escrow	0.14	1.46	-	-	-	-	-
Abandonment and risk fund	(0.79)	(0.80)	(0.81)	(0.82)	(0.83)	(0.83)	(0.84)
	(30.99)	**(35.64)**	**(45.33)**	**(45.59)**	**(65.58)**	**(53.58)**	**(66.13)**
Financing activities:							
Dividends paid to CDIC	(217.00)	(119.00)	(147.00)	(135.83)	(132.11)	(110.69)	(90.49)
Lease obligation payments	(1.43)	(1.66)	(1.86)	(1.71)	-	-	-
	(218.43)	**(120.66)**	**(148.86)**	**(137.54)**	**(132.11)**	**(110.69)**	**(90.49)**
Change in cash	**(17.83)**	**17.19**	**(0.12)**	**(0.48)**	-	-	-
Cash, beginning of year	**61.24**	**43.41**	**60.60**	**60.48**	**60.00**	**60.00**	**60.00**
Cash, end of year	**43.41**	**60.60**	**60.48**	**60.00**	**60.00**	**60.00**	**60.00**